

February 16, 1999

J. Richard Kirk
Clerk of the Circuit Court
County of Loudoun

Board of Supervisors
County of Loudoun

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the County of Loudoun for the period July 1, 1996 through March 31, 1998. We conducted our audit in accordance with generally accepted auditing standards.

Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial management system; evaluate the Court's internal controls; and test its compliance with significant state laws, regulations, and policies. However, our audit was more limited than would be necessary to provide assurance on the internal controls or on overall compliance with applicable laws, regulations, and policies.

The results of our tests found the Court properly stated, in all material respects, the amounts recorded and reported in the financial management system; and no instances of noncompliance with applicable laws, regulations, and policies. However, we noted weakness in internal controls relating to accounts receivables that the Clerk needs to address as described below.

Improve Accounts Receivable Management

The Clerk is not properly managing accounts receivable. The Clerk does not notify the defendant of their fines and costs and the consequences of failure to pay in the courtroom. Further, the Clerk does not promptly and consistently send written notice to the defendants. Since the defendants do not know the amount owed, there is little chance of collection.

The Clerk should immediately begin notifying the defendant of fines and costs owed by giving them appropriate notice before they leave the courtroom. If the Clerk does not receive payment, the Clerk should promptly mail the defendant a notice reminding them of the consequences of failing to pay by the due date.

Failure to properly notify defendants of the fines and costs due and the consequences of failure to immediately pay reduces the chance that defendants will pay those amounts. Defendants also will not have sufficient notice of adverse actions such as license suspension that may occur because of nonpayment. The Clerk should take the appropriate actions listed above to improve management of accounts receivable.

Since the audit, the Clerk has worked with the Supreme Court to implemented changes in procedures to improve accounts receivable management based the above recommendations.

We discussed these comments with the Clerk on February 17, 1999 and we acknowledge the cooperation extended to us during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:aom

cc: The Honorable James H. Chamblin, Chief Judge
Kirby Bowers, County Administrator
Bruce Haynes, Executive Secretary
Compensation Board
Martin Watts, Court Analyst
Supreme Court of Virginia
Paul Delosh, Technical Assistance
Supreme Court of Virginia